

BILL ANALYSIS

C.S.H.B. 1747
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Economic Development
Committee Report (Substituted)

BACKGROUND AND PURPOSE

CSHB 1747 creates the Texas Entrepreneurship Network and the Texas Entrepreneurship Network Fund, a general revenue fund administered by the Texas Department of Agriculture. An associated rider appropriates state funds to operate the Network.

The Texas Entrepreneurship Network (TEN) initiative is a results-driven, statewide public/private collaboration designed to create jobs and energize local sustainable economies through the development of entrepreneurs across the State. The collaboration will train local individuals as entrepreneurship developers, build a network of expert mentors and leaders, assemble a database of service providers and sources of financing, transfer university research to entrepreneurs, and assist entrepreneurs in accessing all of these key resources efficiently.

The purpose of the Network is not to create yet another separate organization to do economic development in Texas, but rather to bring together and unify all of the agencies and organizations currently doing so, in support of entrepreneurship throughout the state.

RULEMAKING AUTHORITY

It is the opinion of the committee that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

SECTION 1. Amends Subtitle F, Title 4, Government Code, by adding Chapter 490 to read as follows:

CHAPTER 490. TEXAS ENTREPRENEURSHIP NETWORK

Section 490.001. DEFINITIONS. Defines “Fund,” “Network” and “Entrepreneur.”

Section 490.002. ESTABLISHMENT OF NETWORK. Establishes the Network and explains its purpose, which is to improve and diversify the economy of the state through the development of local entrepreneurs, by providing programs and services to assist entrepreneurs through a collaboration of existing public and private agencies with an interest in creating jobs and energizing sustainable local economies in communities throughout Texas. Specifies the Texas Center for Rural Entrepreneurship must operate under the Department of Agriculture.

Section 490.003. MEMBERS OF NETWORK. Lists the founding members of the Network and specifies that essentially any public or private organization with an interest in promoting entrepreneurship may join the Network. Only the founding members, however, will have seats on the advisory board of the Network, unless the advisory board votes to create additional seats as provided for in Section 490.004. The founding members of the Network are as follows:

- (1) the Texas Cooperative Extension of The Texas A&M University System;
- (2) the IC2 Institute at The University of Texas at Austin;
- (3) the College of Agricultural Sciences and Natural Resources at Texas Tech University;
- (4) the Department of Agriculture;
- (5) the Texas Workforce Commission;
- (6) the Office of Rural Community Affairs;

- (7) the Texas Center for Rural Entrepreneurship; and
- (8) the Texas Economic Development Council.

The Texas Center for Rural Entrepreneurship shall create an advisory board for the Network, consisting of one representative from each of the founding Network members listed above, and at least one additional board member from the private sector. The advisory board may add a board seat for a non-founding member of the Network by a 2/3 majority vote of the existing board members. The initial advisory board shall adopt provisions needed for administration of the board. Advisory board members serve without compensation other than reimbursement for reasonable expenses incurred in traveling to meetings related to the Network.

Section 490.004. ADVISORY BOARD. Requires an advisory board be established to guide and advise the operations of the network. States the membership representation, initial board to establish terms of service as well as other provisions. Member serve with at with no compensation other than reasonable expenses incurred in travel.

490.005 GENERAL DUTIES AND GOALS. Specifies the duties of the network and the goals to be attained. The Network shall refocus and train existing state and local resources to build a more efficient economy in this state. The Network will work with any and all interested parties, locally, regionally and statewide, to assist entrepreneur participants and improve the statewide environment for growth-oriented businesses. The Network does not seek to replace existing economic development programs, but rather to coordinate, supplement, and improve the effectiveness of many of the different programs and private concerns already operating in parallel, for the benefit of local entrepreneurs.

Section 490.006. ENTREPRENEURSHIP SERVICES. States that the Network will train local individuals throughout the state in methods for assisting entrepreneurs in writing business plans, sourcing capital, developing new markets, and a variety of other key learning tools for successful entrepreneurship. Local entrepreneur centers may be established in every county necessary. Specifies the community resources, public and private, that can be used. Requirements for the centers are to be adopted by the network.

Section 490.007. NETWORK PROGRAMS. Specifies the types of programs that the Network may develop in assisting entrepreneurs.

Section 490.008 TEXAS ENTREPRENEURSHIP NETWORK FUND. Texas Entrepreneur Network Fund is an account in the general revenue fund, administered by the Texas Department of Agriculture. Specifies the monies that are to be deposited into the fund; amounts appropriated by the legislature, gifts, grants and donations. Requires fund money to be used only for network purposes applicable with Sec. 490.009

Section 490.009. USE OF FUND. Provides guidelines for the appropriation of the fund. It also explains how the funds shall be distributed if there is a remainder after appropriation by the legislature. It is stated that the leftover money would go towards enhanced funding for entrepreneurship university programs.

SECTION 2. Provides the effective date of this Act.

EFFECTIVE DATE

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2005.

COMPARISON OF ORIGINAL TO SUBSTITUTE

The committee substitute to HB 1747 is a Legislative Council draft as the originally filed bill was not. The substitute reorganizes and amends certain sections of the bill to conform with the Government Code. It establishes the fact that The Network will work under an agreement with Texas Department of Agriculture instead of the Office of Rural Community Affairs. It also deletes line 10-15, page 8 of the introduced version of HB 1747 that regards access funds being reverted back to the universities.

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